

The 6th August, 1975

No. 151/Drainage/Karnal. —Whereas it appears to the Governor of Haryana that land is likely to be taken by the Government at public expense, for a public purpose, namely, for constructing Diversion of Hansi Branch in village Anta, tehsil Safidon, district Jind, it is hereby notified that the land in the locality specified below is likely to be required for the above purpose.

This notification is made under the provisions of section 4 of the Land Acquisition Act, 1894, for all to whom it may concern. In the exercise of the powers conferred by the aforesaid section, the Governor of Haryana hereby authorises the officers for the time being engaged in the undertaking, with their servants and workmen, to enter upon and survey land in the locality and do all other acts required or permitted by the section.

Any person interested who has any objection to the acquisition of any land in the locality may within thirty days of the publication of this notification file an objection in writing before Land Acquisition Collector, Public Works (Irrigation and Power) Department, Ambala.

### SPECIFICATION

District	Tehsil	Village	Area in acres	Boundary
Jind	Safidon	Anta	10.35	<p>A strip of land varying in width generally lying in the direction of east to north-west.</p> <p>Anta</p> <p>Comprising Part Khasra Nos.</p> <p>27</p> <hr/> <p>6, 15/1, 15/2, 16, 17</p> <p>28</p> <hr/> <p>1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11/1</p> <p>28</p> <hr/> <p>11/2, 12, 13, 14, 19, 20</p>

By the order of the Governor of Haryana,

P. N. KAPUR,

Superintending Engineer,  
Drainage Circle, Karnal.

IRRIGATION DEPARTMENT

The 13th August, 1975

No. 6823-IPWII-75/28457. —In exercise of the powers conferred by section 75 read with section 36 of the Northern India Canal and Drainage Act, 1873, and all other powers enabling him in this behalf, the Governor of Haryana hereby makes the

following amendment, with effect from Kharif 1975, in the rules made under the said Act, vide erstwhile Punjab Government, Irrigatin Branch, Notification No. 275/RI, dated the 13th March, 1915 :—

## AMENDMENT

In the said rules, for the Schedule of Occupiers Rates, the following schedule of Occupiers Rates shall be substituted, namely :—

## SCHEDULE OF OCCUPIERS RATES

(Water rates for irrigation purposes)

Statement showing Occupiers Rates in force on the Canals in Haryana with effect from Kharif 1975.

Class	Crop	Rate per Acre				Per crop
		Bhakra Canal including Ghaggar and Sarasvati Canals		Western Jumna Canal, Gurgaon Canal, Rewari, Jui, Indira Gandhi Canal, Birendra Narayan Chakravarti (Sewani) Canal and Jhajjar Lift Irrigation Schemes		
		Flow	Lift maintained and operated by cultivators	Flow	Lift maintained and operated by cultivators	
1	2	3	4	5	6	7
		Rs	Rs	Rs	Rs	
I	Sugarcane (except on Kharif channels)	40	20.00	34	17.00	Crop
II	Sugarcane on Kharif channels	33	16.50	33	16.50	Do
III	Waternuts	33	16.50	33	16.50	Do
IV	Rice	30	15.00	30	15.00	Do
V	Indigo and other dyes, tobacco, popply, spices and drugs	25	12.50	25	12.50	Do
VI	Cotton	25	12.50	25	12.50	Do
VII	Gardens and orchards and vegetables except turnips	25	12.50	25	12.50	Gardens and orchards per half year the rest per crop
VIII	Barley and Oats (except on Kharif channels)	27	13.50	19	9.50	Per crop
IX	Wheat (except on Kharif channels)	25	12.50	18	9.00	Ditto
X	Melon, Fibres (other than Cotton and all crops not otherwise specified)	23	11.50	23	11.50	Ditto
XI	Maize	20	10.00	20	10.00	Ditto
XII	Oilseeds (except rabi oilseeds on kharif channels)	20	10.00	20	10.00	Ditto
XIII	Oilseeds Rabi Crop	27	13.50	19	9.50	Ditto
XIV	All Rabi Crops on Kharif channels except except wheat and gram	13	6.50	9	4.50	Ditto
XV	Wheat and gram on Kharif channels	12	6.00	8	4.00	Ditto
XVI	Bajra, Masur and pulses	20	10.00	20	10.00	Ditto
XVII	Gram	20	10.00	14	7.00	Ditto
XVIII	Jawar, Chana Grass and all fodder crops including turnips	20	10.00	20	10.00	Ditto



1	2	3	4	5	6	6
XIX	Watering for ploughing not followed by a crop in the same or succeeding harvest	3	1.50	3	1.50	Per crop.
XX	Village and Zila Parishad and Panchayat Samities Plantations—					
	(M) Any number of watering in Kharif ..	5	2.50	5	2.50	Ditto
	(ii) One watering in Rabi ..	5	2.50	4	2.00	Ditto
	(iii) Two or more watering in Rabi ..	10	5.00	7	3.50	Ditto
XXI	Grass—					
	(i) Single Watering in Kharif ..	5	2.50	5	2.50	Ditto
	(ii) Single watering in Rabi ..	5	2.50	4	2.00	Ditto

Note.—(1) Grass given two or more waterings falls under Class XVIII.

(2) Hemp, Indigo, Guara, Jantar and Arhar ploughed in as green manure before 15th September are not assessable to water rates.

#### LOWER CHAUTANG NALLA CANAL

Class	Crop	Rate per acre		Per crop
		Flow	Lift maintained and operated by cultivators	
1	2	3	4	5
I	Sugarcane, rice and waternuts	20	13.00	Per crop
II	Cotton, indigo and maize	12	8.00	Ditto
III	Other Kharif crops	8	5.00	Ditto
IV	Special rates—single watering before ploughing for Rabi except wheat and gram followed by a crop	5	3.00	Ditto
V	Special rates—single watering before ploughing for wheat and gram followed by a crop	5	3.00	Ditto
Note—Additional watering after 31st October		4	3.00	Per acre
				All crops except fodder crops including turnips
		2	1.50	For fodder crops including turnips

#### SCHEDULE OF RATES FOR SUPPLY OF WATER FOR PURPOSES OTHER THAN IRRIGATION OF THE CANALS IN HARYANA

Serial No.	Purposes	Rs Rate
1	Brick making and pisewall buildings	Re 1 per 100 Cubic feet
2	Laying concrete and brick or stone masonry	Re. 1 per 100 Cubic feet
3	Metalling Roads	Rs 84 per Mile

Serial No.	Purposes	Rs. Rate
4	Consolidation of Kacha Service Roads	Rs 100 per mile per annum for a maximum of 8 watering in the 10 months December to September.
5	Water supplied in bulk	Rs 5 per 2500 Cubic feet
6	Manufacture of charcoal	110 per kiln per season crop, provided kiln is in use.
7	Watering road side or avenue trees	Rs 16 per canal mile of 5000 ft. per kharif crop Rs 32 per canal mile of 5000 ft. per crop
8	Sprinkling water on roads in the Kharif season	Rs 32 per mile
9	Sprinkling water on roads in the Rabi season	Rs 64 per mile.

Proviso : (1) Except within the limits of civil stations, Cantonments and Municipalities, no charge shall be made for water used for the manufacture of bricks not subsequently burnt in a kiln or for pise wall buildings, if taken from a watercourse or tank lawfully supplied from a canal.

(2) No charge additional to Rs 100 for flooding per mile should be levied for sprinkling water on kacha service roads.

(3) No charge will in practice be levied for a sprinkling water on roads where the amount of water used is negligible.

(4) Water supplied in bulk to Municipalities (including Notified area and small Town Committees and other public bodies for use by public in general for drinking and washing purposes but not for commercial purposes) is to be charged at the rate of Rs 3 per 6000 cubic feet.

(5) No charge shall be made for water used for watering avenue or roadside trees grown by villagers alongside watercourses, fields and village roads, and within the village abadi.

M. SETH, Commissioner & Secy.

## HARYANA FINANCIAL CORPORATION REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST MARCH 1975 INTRODUCTION

The eighth report on the working of the Haryana Financial Corporation together with the audited statement of accounts for the year ended 31st March, 1975 is presented herewith by the Board of Directors of the Corporation. With the conclusion of the eighth year of its existence since its formation on 1st April, 1967 on the division of the erstwhile Punjab Financial Corporation, consequent upon the reorganisation of the erstwhile State of Punjab, the Corporation has continued to maintain a rapid rate of growth both in terms of the units financed as well as in terms of the amounts sanctioned and disbursed. The Corporation has extended over these years, its activities to all the 10 districts of the State and has intensified its programmes directed towards the removal of regional imbalances.

### SANCTIONS

During the year loans to 336 units were sanctioned for a total value of Rs. 9,26,98,757 against 316 units who were sanctioned loans for an amount of Rs. 6,42,47,470 in the year 1973-74. The beneficiaries comprised of 243 small scale units who were sanctioned a sum of Rs. 4,58,78,610; 42 transport operators who were sanctioned loans aggregating to Rs. 24,60,700; and 51 other units who were sanctioned a sum of Rs. 4,43,59,457.

The cumulative sanctions upto 31st March, 1975 from the 1st of April, 1967 has risen to the figure of Rs 30,57,81,537 in favour of 1,494 units. Of this figure Rs. 2,19,45,600 was sanctioned in favour of 532 transport operators, Rs. 16,17,12,958 has been sanctioned in favour of 796 small scale units and the balance amount of Rs 12,21,22,979 has been or is to be advanced to 166 units of other kinds. The assistance sanctioned per capita and per sq. km. may be seen at Statement No. 3. The former figure has risen from Rs. 30.47 to Rs. 39.74 and the latter from Rs. 6,916.20 to Rs. 8,986.47.

### DISBURSEMENTS

Disbursements during the year too, registered a significant increase from Rs. 3,50,80,280 to Rs. 4,91,01,970. This was spread over a total number of 314 units of which 228 units were new ones. This registers a growth of 39.97 percent on the disbursement made during the previous year namely 1973-74, which had in turn registered a growth of 34.54 percent over the year 1972-73. Cumulative disbursements inclusive Rs. 5,33,13,150 inherited on 1st April, 1967 has now risen to Rs. 23,01,60,383. Statement No. 6 provides the figures for per capital disbursement and per sq. km. disbursement and an indication of the manner in which these figures have grown.



### ASSISTANCE TO SMALL SCALE INDUSTRIES

The Small Scale Sector has continued to be one of the major beneficiaries from the programmes and activities of the Corporation. 72.32% of the units benefited by the sanctions during the year and 49.49% of the total amount sanctioned was for small scale units excluded transport operators. 12.50% of the loans sanctioned and 2.65% of the amount sanctioned were in favour of transport operators. Between these two categories, therefore, 285 loans for a total amount of Rs. 4,83,39,310 amounting respectively to 84.82% and 52.15% of total operations during the year under review were sanctioned. In absolute terms, excluding transporters, the number of small scale industrial units sanctioned loans increased from 186 in 1973-74 to 243 in 1974-75. The number of unit receiving funds also rose similarly from 120 in 1973-74 to 165 during the year under review.

### DEVELOPMENT OF BACKWARD AREAS

The loans sanctioned for units in the backward areas amounted to Rs. 2,58,91,700 as against the corresponding figure of Rs. 2,44,40,500 in the previous year. The number of units to whom loans were thus sanctioned was, however, fewer than in the previous year. One of the possible reasons for this may be that as the backward areas have begun to have an adequate infra-structure and other incentives, larger sized units are moving into these areas so that the per unit financial commitment is somewhat higher. In terms of disbursement the number of units who have actually availed of loans in the backward areas has reduced somewhat from the level attained in the year 1973-74 while the amount disbursed is only marginally less. On the average the per unit disbursement, is again appreciably higher in 1974-75 than in 1973-74. In terms of disbursement, the reason for this trend might well be that the large amounts sanctioned in 1973-74 will actually spread over the next two or three years as the commitments then incurred are discharged, and after the initial flood, the rate at which new applications come and new units become ready for availment of loan will tend to stabilize.

### INFLOW OF APPLICATIONS

There was a significant growth in both the number of applications received as well as the amount of loans applied for during the year under review. The former increased from 444 applications to 585 applications and the latter from an amount of Rs. 12.38 crores to Rs. 21.00 crores. However, a sizeable part of the increase in the number of applications and a fairly substantial part of the increase in the amount of loan applications could be attributed to applications for loans for Generating Sets. Thus out of a total increase of 141 in the number of applications the increase in the applications for Generating Set loans was as much as 182 (Statement No. 18). On the other hand, applications for transport vehicles had diminished substantially. There continued to be a marginal growth in applications received from small scale units and a significant growth (nearly 50%) in applications received from other units for industrial loans including those for Generating Sets. While the increase in the number of applications was marginal in the first case and substantial in the second it is noteworthy that the amount of loan applied for increased much more steeply. Incidentally, one the major reasons for the decline in the number of applications for transport vehicles is a sharp increase in the price of fuel and another reason has been a change in the Corporation's policy as per which it has stopped financing vehicles consuming petrol. The Corporation's activities in 1974-75 were limited to financing vehicles using diesel oil.

The industry-wise classification of applications received whether for industrial loans or for Generating Sets, taken together, would reveal that in terms of the number of applications received manufacture of metal products (excluding machinery and transport equipment) is the most popular industry (with 104 applications) followed by miscellaneous manufacturing industries (77), food manufacturing industries (65), and textile spinning, weaving and finishing industries (61). In terms of the amount applied for, miscellaneous manufacturing industries resulted in applications for an amount of Rs. 2.70 crores, basis metal industries accounted for applications of the value of Rs. 2.50 crores followed by food manufacturing industries (Rs. 2.37 crores) and manufacturing of metal products (excluding machinery and transport equipment) also roughly of the same value.

### DISPOSAL OF APPLICATIONS

During the year under review a total number of 585 applications for an amount of Rs. 21 crores approximately were received out of which 336 applications were sanctioned for an amount of approximately Rs. 9.27 crores and 19 applications involving an amount of Rs. 0.72 crores stood rejected, while another 71 applications involving an amount of Rs. 2.67 crores were withdrawn. The remaining 159 applications are still under consideration.

### SPECIAL SCHEMES

A number of special schemes continued to be operative during the year under review. These include the scheme for import of capital goods under the IDA Line of Credit, liberalised loan scheme for technician entrepreneurs, liberalised loan scheme for generating sets and schemes providing special incentives to industries in backward areas. The Corporation also continued to function as an agent of the Government for the purpose of implementation of the scheme for the educated unemployed.

## SCHEME UNDER IDA LINE OF CREDIT

This scheme, started in the year 1972-73, permits entrepreneurs to import capital goods under the line of Credit established by the Government of India and the Reserve Bank. Under the scheme eligible industrial units (i. e. where the cost of the project is not more than Rs. 1.00 crore) can avail of the rupee equivalent of the foreign exchange requirement, against valid import licences, through the Corporation. The Corporation obtains refinance from the Industrial Development Bank of India after the latter has approved of the scheme. The facility availed of is subject of course to the normal limit of Rs. 30 lakhs which is a statutory restriction on the Corporation. Despite the somewhat uncertain economic and industrial climate, applications continued to be received under this Line of Credit.

## SCHEME FOR TECHNICIAN ENTREPRENEURS

On the basis of 15 per cent contribution to the total project cost by the entrepreneurs a maximum amount of Rs. 2.00 lakhs of financial assistance is admissible under the scheme for technically qualified persons for the establishment of a viable project at a concessional rate of interest. The present rate of interest is 10 per cent per annum, generally, which is reducible to 9 per cent in the backward areas on the availability of refinance from the Industrial Development Bank of India. The rate of interest had to be increased marginally during the year under review as a result of the increase in the bank rate—a part of the anti-inflationary package of the Government of India. Amongst other concessions available under the scheme may be mentioned a lower margin on security, a higher admissible gestation period and a more adverse debt equity ratio than normal.

## LIBERALISED LOAN SCHEME FOR GENERATING SETS

In the face of an acute power crises the Corporation has been active in extending financial assistance for the purchase and installation of generating sets at very favourable rates of interest. The current rate of interest is 10 per cent generally, which may be reduced to 9 per cent on the availability of refinance for units located in backward areas. A mere 20 percent margin of the cost of a new generating set is required and hypothecation of the generating set provides adequate security. The repayment period is five years for such loans. As has already been mentioned earlier, the scheme has proved to be extremely popular and has accounted for a very significant increase in both the number of applications received as well as the amount requested for. During the year under review 133 such loans were sanctioned for an amount of Rs. 1.57 crores. Such loans comprise 39.58% of the loan applications sanctioned and 16.93% of the total amount sanctioned.

## SCHEME FOR BACKWARD AREAS

With a view to encouraging the backward areas a special scheme continued to operate during the year. Interest concessions were available in backward areas of between 1 to 3 per cent as compared to a similar case located outside a backward area. For instance in the case of small scale unit located in an identified backward area, on the availability of refinance, the rate of interest is as little as 9 per cent. The concession of lower margin requirements is also extended. For small scale units in backward areas the margin required is only 20%, as against 25% of the security which is normally required, and in the case of larger industrial units in backward areas a margin of only 30% on security is required against the normal 40%. A longer repayment period is also admissible in the case of backward areas.

## GENERAL TERMS OF LENDING

The general terms of lending during the year under review may be referred to in the following statement :

	Margin	Rate of Intt. (rupee loan)		Rate of Intt. (IDA Lone)
Industrial loans (a) Other than small scale	Other than backward areas	40%	13% (12%)	11%
	Identified back- ward areas	30%	13% (9%)	10.5%
	Backward areas declared by State Govt.	30%	12% (11%)	10.5%



	Margin	Rate of Innt. (rupee loan)	Rate of Intt. (IDALine)
(b) Small scale	Other than back-ward areas	Loans upto Rs. 2.00 lakhs 10%	(10%)
		Loans above Rs. 2.00 lakhs 12%	(10.5%)
	Identified back-ward areas	Loans upto Rs. 2.00 lakhs 10%	(9%)
		Loans above Rs. 2.00 lakhs 12%	(9%)
	Backward areas declared by State Govt.	Loans upto Rs. 2.00 lakhs 9.5%	(9.5%)
		Loans above Rs. 2.00 lakhs 11%	(10%)
Hotels	50%	13%	(12%)
Generating Sets	Other than identified backward areas	20%	10%
	Identified backward areas	20%	10%
	Transport	25%	13%

## Note :

- Rates of interest shown in brackets are applicable when refinance is made available by the I.D.B.I.
- Identified backward areas comprise of the districts of Hissar, Jind, Bhiwani and Mohinder-garh.
- Backward areas declared by the State Government comprise of Tehsils Kalka and Narain-garh of District Ambala and Sub-tehsil Nahar of Tehsil Jhajjar of District Rohtak.

## AGENCY FUNDS

The Corporation on its formation inherited 47 agency loan accounts with a debit balance of Rs. 13,83,818. Out of these, 40 accounts have been adjusted and in the 7 accounts pending, the outstanding balance as on 31st March, 1975 was Rs 2,49,527.

The Corporation during the year under review, recovered Rs 3,398.08 as principal and Rs 4,295.17 as interest. There were arrears of principal and interest amounting to Rs 7,120.86 and Rs 212.93 respectively as at the end of the year in one case. Of the remaining 6 cases, in three cases consent decrees have been obtained and in two cases the State Government are being approached to either write off the amounts or recoverys them as arrears of land revenue. In the last case, for which execution proceedings were filed during the year, the date of auction has been fixed.

## OTHER MISCELLANEOUS PROGRAMMES

The Corporation has always endeavoured to be in the forefront of all programmes and activities aimed at the industrial development of the State. One of the most noteworthy of its activities in this regard has been its close association with the development of the growth Centres at selected towns namely Rewari, Bhiwani, Jind and Tohana, in association with the Directorate of Industries Service Institute. Officers of the Corporation have been participating in special camps organised from time to time at these places and have been assisting in the selection of entrepreneurs for specific industries suitable for establishment at these growth centres as well as in rendering all help to prospective entrepreneurs in the preparation of project reports and submission of loan applications for financial assistance.

## FINANCIAL RESULTS AND PROGRAMMES

If the programmes of the Corporation are to be multifarious, it is imperative that the Corporation so manages its finances as to be able to support these programmes not only at the existing levels but be in a position to provide for the gaining momentum of industrial activity in the State. The Board of Directors propose, therefore, to turn their attention next in this report to the financial achievements, planning and programmes of the Corporation.

## INVESTMENT IN THE CORPORATION

The year 1974-75 is significant *inter-alia* for the reason that the authorised capital of the Corporation was enhanced to the statutory limit of Rs 5 crores as prescribed in the State Financial Corporation Act, 1951, and the Corporation was consequently able to double its paid up capital from Rs 1.5 crores as on 1st April, 1974 to Rs 3 crores as on the 31st of March, 1975. The addition of Rs 1.5 crores was made up of an enhancement of the shareholding of the State Government by Rs 75 lakhs and an equal amount of shares being subscribed to by the Industrial Development Bank of India. The current shareholdings and other particulars are as under :—

Serial No.	Class of shareholders	No. of shareholders in the class	No. of shares held	Value of shares	Annual dividend payable for 1974-75
				Rs	Rs
1	Haryana Government	1	1,41,325	1,41,32,500	2,71,710.89
2	Reserve Bank of India	1	6,245	6,24,500	18,735.00
3	Industrial Development Bank of India	1	1,16,670	1,16,67,000	1,74,445.89
4	Scheduled Banks	8	25,105	25,10,500	1,12,415.00
5	Co-operative Banks	8	1,515	1,51,500	5,545.00
6	Insurance Companies (including Life Insurance Corporation established under section 3 of the Life Insurance Corporation of India Act, 1956), Investment Trusts and other Financial Institutions excluding Industrial Development Bank of India, Scheduled Banks and Co-operative Banks.	3	7,635	7,63,500	31,465.00
7	Parties referred to in class (d) of sub-section (3) of section 4 of the Act	50	1,505	1,50,500	5,435.00
Total		72	3,00,000	3,00,00,000	6,19,751.78

## RESOURCES

In addition to the increase in the share capital already referred to the other main sources of finances available to the Corporation have been the issue of Bonds and *Ad hoc* Bonds, refinance received from the Industrial Development Bank of India, recoveries of instalments of principal and interest and the creation of reserve.



## BONDS

During the year under review the Corporation floated two series of bonds each for an amount of Rs 50 lakhs with an option to retain 10% extra in the months of October, 1974 and March, 1975. Both these bonds were over subscribed immediately upon their floatation. As a reference to statement No. 23 would reveal, although there has been a very rapid increase in the amounts of sanctions as well as disbursements, owing to anti-inflationary and credit control measures of the Government of India and the Reserve Bank of India the bonds permitted to be floated actually diminished from the level permitted in 1973-74.

## AD HOC BONDS

In view of the situation just narrated the Corporation has had to rely increasingly on temporary funding by resort to *Ad hoc* Bonds. Thus as against Rs. 60 lakhs borrowed against *Ad hoc* Bonds for the year 1973-74 a sum of Rs. 1.35 crores had to be availed of as borrowings against *Ad hoc* Bonds of the face value of Rs. 1.50 crores during the year 1974-75. The bulk of this amount, however, stood adjusted by the 31st of March, 1975, as a result of the liquidity afforded by the increase in the share capital towards the end of the year under review.

## REFINANCE

Commensurate with its growing activities, the Corporation has been increasingly relying on refinance from the Industrial Development Bank of India to enable it to meet its commitments to its clients. Thus on the 31st March, 1975, refinance of Rs. 6.54 lakhs was outstanding against the Corporation (Statement No. 24). The amount availed during the year itself was Rs. 2,63,16,500 against Rs. 1,28,15,538 in the previous year.

## RE-CYCLING OF INVESTMENTS

The chief investment of the Corporation is in the shape of loans disbursed by it. The following table would indicate the amounts disbursed by the Punjab Financial Corporation as inherited by Haryana Financial Corporation on its inception on the 1st of April, 1967 and the advances made from year to year thereafter :—

Sr. No.	Period	Amount disbursed	Cumulative Investment
		Rs	Rs
1	Amount disbursed by the erstwhile Punjab Financial Corporation in the areas comprising Haryana from 1953 to 31st March, 1967	5,33,13,150	5,33,13,150
2	1967-68	1,13,60,500	6,46,73,650
3	1968-69	1,27,34,000	7,74,07,650
4	1969-70	1,12,89,500	8,86,97,150
5	1970-71	1,09,95,000	9,96,92,150
6	1971-72	2,02,11,783	11,99,03,933
7	1972-73	2,60,74,200	14,59,78,133
8	1973-74	3,50,80,280	18,10,58,413
9	1974-75	4,91,01,970	23,01,60,383

It would be seen that the total investment subsisting on the 31st of March, 1975 was of the order of Rs. 23,01,60,383. The re-cycling of the repayments of these loans advanced must quite naturally, therefore, form an important mode of further financing.

## REPAYMENTS

During the year under review the total amount which fell due for repayment inclusive of both principal and interest amounted to Rs. 3,02,29,325. This is significantly in excess of the corresponding figure of Rs. 2,27,56,468 during the preceding year. The amount due comprised of two elements being Rs. 190,55,054 by way of principal (as against Rs. 1,50,28,175 during 1973-74) and Rs. 1,11,74,271

by way of interest (as against Rs. 77,28,293). The increase is a normal consequence of the rapid growth in the amounts disbursed. The actual recoveries were, however, somewhat short of the amounts fallen due and during the year under review, these were only of the order of Rs. 2,00,91,011 (inclusive of Rs. 1,21,55,236 by way of principal and Rs. 79,35,775 by way of interest). The total recoveries were less than those in the previous year by an amount of Rs. 12 lakhs approximately. This would go to add to the amount in default at the end of the year 1973-74.

### DEFAULTS

Owing to the severe power crisis facing the State as also the unsettled economic conditions prevailing not only within the country but internationally as well, aggravated by the credit squeeze operative during the year under review, the recoveries of the Corporation have been seriously affected. Excluding casual defaults and suit-filed cases, defaults have risen to Rs. 1,22,19,846 from the level of Rs. 68,70,571 on the 31st of March, 1974. This comprises an amount of Rs. 81,48,276 as default of principal and Rs. 40,71,570 by way of defaults of interest. As a percentage of total outstandings, this works out to 7.43 per cent showing an increase of 1.85 per cent over the corresponding figures for the previous year (Statement No. 7).

The Corporation has been endeavouring vigorously to contain this increasing trend and to effect recoveries by intensifying its follow-up activities. Nevertheless the fact remains that in a widespread recessionary or reflationary economy the Corporations efforts have brought only limited results. The remedies provided by the State Financial Corporation's Act, 1951, are broadly limited to either the filing of Civil Suits or the taking over of the management in exercise of the powers vested in the Corporation under section 29 of the Act. While the indiscriminate filing of suits for recoveries of overdues can hardly be deemed to be worthy of a Development Bank, the Corporation has not shied away from taking recourse to this extreme measure wherever it has been convinced that the default arises from deliberate unwillingness to repay on the part of an industry, which otherwise has an adequate liquidity. In other the cases, where the management has been of the view that the default arises not so much from intransigence but from bonafide problems, a more sympathetic view has been taken. It may be worth recording also, in passing, that civil remedy too is by no means a measure that provides speedy reduction of arrears, as litigation itself takes a considerable span of time. During the year under review the Corporation filed 9 suits for the recovery of an amount of Rs. 50,28,003. The Corporation also vigorously followed up pending suits, filed in earlier years.

### OUTSTANDINGS

Currently the outstanding amount from the loaning operations of the Corporation stands at Rs. 16,43,90,333 as against Rs. 12,32,12,617 by the end of the previous year (Statement No. 8).

Despite some of the limitations referred to above, and notwithstanding the fact that the primary motivation of the Corporation is not so much to earn profits as to provide much needed fiscal support to the socio-economic policies of the State in the area of industries, it is heartening to note that there has been a significant increase in the profits before taxation as compared to the previous year. The profits in the year 1974-75 amounted to Rs. 49,91,764 before taxation as compared to Rs. 40,77,493 in the previous year, even after providing for Interest in the Suspense Account to the extent of Rs. 4,64,387. Thus even excluding the Interest in Suspense Account there is an enhancement in profits by 22.42% over the previous year. The gross income of the Corporation during the year under review was Rs. 1,42,86,578 as compared to Rs. 1,06,76,880 thus registering an increase of 33.81%.

### APPROPRIATION OF PROFITS AND ACCUMULATION OF RESERVES

After providing Rs. 17,44,104 for taxation, and Rs. 6,19,752 for the declaration of dividends, the Corporation has been able to accumulate further reserves to the extent of the balance amount. The dividends declared are as under :—

	Rs
(i) State Government	2,71,711
(ii) Reserve Bank of India	18,735
(iii) Industrial Development Bank of India	1,74,446
(iv) Scheduled Banks	1,12,415
(v) Co-operative Banks	5,545
(vi) Insurance Companies including L. I. C. Investment Trusts and Other Financial Institutions excluding IDBI, Scheduled Banks and Co-operative Banks.	31,465
(vii) Parties referred to in clause (d) of sub-section (3) of section 4 of the Act	5,435
Total	6,19,752



The reserves created as a result of the operations of the Corporation during the year 1974-75 and cumulatively are indicated hereunder :—

Description of the Reserve	Reserves during 1974-75	Cumulative Reserves as on 31st March, 1975
1. Special Reserve U/S 35 A	4,08,747	8,58,351
2. General Reserve U/S 35	6,81,000	21,66,000
3. Reserve for Bad and Doubtful debts	80,000	11,65,000
4. Special Reserve U/S 36 (i) (vii)	20,13,395	60,86,514
5. Gratuity Reserve.	10,000	1,02,000
Total	31,93,142	1,03,77,865

The total reserves of the Corporation would stand, therefore, at 34.59% of the paid-up capital of the Corporation.

### ORGANISATION

With the objective of strengthening the organisation of the Corporation so as to cope with the higher demands being made on it in terms of the larger number of cases under process as well as in terms of technical expertise, the Corporation had already created a number of posts during the year 1973-74. Practically all these posts were filled up during the year under review and some more senior level posts were also created. The field organisation was sought to be strengthened by the creation of a post of Senior Field Officer to supervise the functioning of the Branch Offices at Faridabad and Sonapat. The officers of the Corporation have continued to attend appropriate training courses organised from time to time by institutions such as Bankers Training College, the Reserve Bank of India and the Management Development Institute.

### MANAGEMENT AND BOARD OF DIRECTORS

Several changes took place in the composition of the Board of Directors during the year under review. Consequent upon his transfer Shri L. M. Jain, I. A. S., formerly Director of Industries, Government of Haryana tendered his resignation and was succeeded by Shri B. L. Mittal, I. A. S., Director of Industries as a nominee of the State Government. Shri K. C. Varshney, was replaced as nominee of the Industrial Development Bank of India by Shri P. Gupta. Shri S. R. Mohindroo, on his retirement from the services of the Punjab National Bank tendered his resignation. His successor is to be elected at the eighth Annual General Meeting. Shri Ram Swarup Bansal, was succeeded first by Shri Baldev Singh Garhwal on the expiry of the former's term and the latter was in turn replaced by Shri Man Singh. Shri G. S. Aggarwala on retirement from the Life Insurance Corporation of India was succeeded by Shri P. N. Khosla also from the Life Insurance Corporation of India. Shri Jishan Lal Kuthiala, also ceased to be a director on the expiry of his term and was replaced by Shri Vineet Virmani. Finally, Shri R. L. Sudhir, I. A. S., Managing Director was succeeded by Shri T. K. Banerji, I. A. S., formerly a nominee director on the Board. The vacancy caused amongst the non-functional nominee directors of the State Government by the appointment of Shri T. K. Banerji, I. A. S., as Managing Director, remained to be filled on the 31st March, 1975 as also the vacancy caused by the resignation of Shri S. R. Mohindroo.

Likewise, Shri B. L. Mittal, I. A. S., Shri Vineet Virmani and Shri T. K. Banerji, I. A. S., also succeeded respectively Shri L. M. Jain, I. A. S., Shri Jishan Lal Kuthiala and Shri R. L. Sudhir, I. A. S., on the Executive Committee.

Shri S. K. Misra, I. A. S., continued to be the Chairman of the Corporation during the year under review.

### MEETINGS OF THE BOARD AND THE EXECUTIVE COMMITTEE

During the year under review the Board and the Executive Committee each met on seven occasions.

### AUDITORS

M/s Jain and Associates, Chandigarh have been appointed as Auditors for the year under review. Their appointment was made by the State Government in consultation with the Comptroller and Auditor General of India.

### ACKNOWLEDGEMENT

The Board acknowledges with gratitude the co-operation rendered by the Government of Haryana, the Reserve Bank of India, the Industrial Development Bank of India, the Industrial Finance Corporation of India, the Life Insurance Corporation of India, the Industrial Credit and Investment Corporation of India, other State Financial corporations and all the scheduled banks and other financial institutions with whom the Corporation has had to deal from time to time. The Board wishes also to record its appreciation of the invaluable assistance received from the Technical Experts of the Directorate of Industries, Haryana and other officers, from the former specially in technical and financial appraisals of projects and for the advice made available to the Corporation and to the Executive Committee on technical matters.

Finally, the Board would wish to record with pleasure its appreciation of the sincere and loyal services rendered by the officers and the staff of the Corporation without whose single minded devotion the results attained would have been incapable of achievement. As a small measure of such appreciation the Board has already sanctioned an ex-gratia good performance reward to the staff and officers of the Corporation equivalent to three months' pay and allowances.

By order of the Board,  
T. K. BANERJI,  
Managing Director.

## REPORT OF THE AUDITORS

To

The Shareholders,  
Haryana Financial Corporation.

We, the undersigned Auditors of the Haryana Financial Corporation do hereby report to the shareholders upon the Balance-Sheet and Accounts of the Corporation as at 31st of March, 1975.

We have examined the attached Balance-sheet with the Accounts and Vouchers relating thereto and report that where we have called for explanations and information, such information and explanation have been given and have been satisfactory. In our opinion, the Balance-sheet is a full and fair Balance-sheet containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of affairs of the Corporation according to the best of our information and explanations given to us and shown by the books of the Corporation.

for Jain & Associates,

Chartered Accountants,

(Sd.) (P. C. JAIN,)

Place : CHANDIGARH,  
Date : 26th May, 1975.

B. Com., F.C.A.,  
Partner.



## HARYANA FINANCIAL

Balance-sheet as on

Figures for the previous year	CAPITAL AND LIABILITIES	Amount	Amount
Rs		Rs	Rs
	<b>1. CAPITAL</b>		
	<u>Authorised</u>		
1,50,00,000	5,00,000 shares of Rs 100 each		5,00,00,000
	<u>Issued</u>		
1,50,00,000	3,00,000 shares of Rs 100 each		3,00,00,000
	Subscribed and paid-up (Guaranteed by State Govt, under Section 6(i) of the State Financial Corporations Act, 1951)		
1,50,00,000	3,00,000 shares of Rs 100 each		3,00,00,000
	<b>2. RESERVED FUND AND OTHER RESERVES</b>		
	(i) General Reserve Fund (Section 35 of State Financial Corpora- tions Act, 1951)		
9,85,000	Balance as per last Balance-Sheet 14,85,000		
5,00,000	Add: Amount of Income-tax 1,55,714	21,66,000	
14,85,000	Refund transferred Additions during the year 5,25,286		
	(ii) Special Reserve Fund (Section 35-A of State Financial Corpo- rations Act, 1951)		
4,12,134	Balance as per last Balance- Sheet	4,49,604	
37,470	Amount transferred from dividend- payable	4,08,747	8,58,351
4,49,604			
	(iii) Reserve for Bad and Doubtful Debts		
7,85,000	Balance as per last Balance-sheet	10,85,000	
3,00,000	Additions during the year	80,000	11,65,000
10,85,000			
1,80,19,604	Carried over	41,89,351	3,00,00,000

## CORPORATION CHANDIGRAH

31st March, 1975

Figures for the previous year	PROPERTY AND ASSETS	Amount	Amount
Rs.		Rs	Rs
	1. CASH AND BANK BALANCES:		
	(a) Cash in hand		
15,282	(i) Corporation's Funds	33,486	
493	(ii) Agency Funds	252	
118	(iii) Imprest with Branch Offices	500	34,238
15,893	(b) Balance with Banks under Section 33 (2)		
3,220	(i) Reserve Bank of India	9,357	
	(ii) Scheduled Banks		
19,30,532	(a) Corporation's Funds	44,40,297	
4,286	(b) Agency Funds	11,088	44,60,742
19,38,038	(c) Short-term Deposits with Banks		
28,00,000	(i) Corporation's Funds	16,00,000	
16,95,010	(ii) Seed Money from State Govt. New Bank of India S.F. A/c)	15,47,950	31,47,950
64,48,941			76,42,930
	2. INVESTMENTS:		
	(a) Shares acquired under underwriting agreements [Under Section 25 (I) (c) 1,998 redeemable preference shares of Rs. 100 each at cost]	1,99,800	
1,99,800	(b) Participation certificate with Scheduled Banks	—	1,99,800
10,00,000			
11,99,800			
	3. LOANS AND ADVANCES:		
	(Details as per Schedule annexed)		
12,32,12,617	(a) Corporation's Funds	16,43,90,333	
2,32,981	(b) Agency Funds	2,49,528	
13,240	(c) Commission recoverable under deferred payment guarantee	8,159	
—	(d) Loans & Advances (Seed Money A/c.)	92,000	16,47,40,020
12,34,58,838			
	4. GUARANTEES & UNDER- WRITING AGREEMENTS:		
16,69,875	Guarantees Under Section 25 per contra		24,17,202
13,27,77,454	Carried over		17,49,99,952



Figures for the previous year	CAPITAL AND LIABILITIES	Amount	Amount
Rs.		Rs.	Rs.
1,80,19,604	Brought forward	41,89,351	3,00,00,000
	(iv) Other Reserves		
	(a) Special Reserve for purpose of Section (36) (i) (viii) of Income Tax Act, 1961		
30,53,746	Balance as per last Balance Sheet	40,73,119	
10,19,373	Additions during the year	20,13,395	60,86,514
40,73,119			
	(b) Gratuity Reserves		
22,000	Balance as per last Balance Sheet	92,000	
10,000	Additions during the year	10,000	1,02,000
92,000			1,03,77,865
	3. BONDS AND DEBENTURES:		
	(Guaranteed by the State Government under Section 7)		
31,10,200	4 $\frac{3}{4}$ per cent 31,102 Bonds of Rs. 100 each redeemable in 1974	—	
21,10,300	4 $\frac{3}{4}$ per cent (2nd series) 31,103 Bonds of Rs. 100 each redeemable in 1974	—	
29,68,900	5 $\frac{3}{4}$ per cent, 29,689 Bonds of Rs. 100 each redeemable in 1977	29,68,900	
45,52,300	5 $\frac{3}{4}$ per cent (2nd series) 45,523 Bonds of Rs. 100 each redeemable in 1977	45,52,300	
55,00,000	6 per cent 55,000 Bonds of Rs. 100 each redeemable in 1980	55,00,000	
55,00,000	6 per cent (2nd series) 55,000 Bonds of Rs. 100 each redeemable in 1980	55,00,000	
55,00,000	6 per cent 55,000 Bonds of Rs. 100 each redeemable in 1983	55,00,000	
1,10,00,000	6 per cent 1,10,000 Bonds of Rs. 100 each redeemable in 1984	1,10,00,000	
82,50,000	6 per cent 82,500 Bonds of Rs. 100 each redeemable in 1985	82,50,000	
82,50,000	6 per cent 82,500 Bonds of Rs. 100 each redeemable in 1986	82,50,000	
—	6 $\frac{1}{4}$ per cent 55,000 Bonds of Rs. 100 each redeemable in 1984	55,00,000	
—	6 $\frac{1}{4}$ per cent 55,000 Bonds of Rs. 100 each redeemable in 1985	55,00,000	4,25,21,200
5,77,41,700			
7,99,26,423	Carried over		10,28,92,065

Figures for  
the previous  
year

## PROPERTY AND ASSETS

Amount

Amount

Rs  
13,27,77,454

Brought forward

Rs

Rs  
17,49,99,9525. MOTOR CARS, CYCLES, FURNITURE  
AND FIXTURES, ETC.

Cost upto last Balance Sheet

2,26,726

Additions during the year

1,06,720

3,33,446

Less : Sales during the year

4,220

3,29,226

Less : Depreciation written off upto 31st  
March, 1974

78,155

2,51,071

Less : Loss on sales adjusted

145

2,50,926

Less : Depreciation written off during the  
year

31,270

2,19,656

1,48,571

## 6. OTHER ASSETS :

50,089

(i) Stationery &amp; Stores (at cost)

37,256

—

(ii) Stamps

—

111

(iii) Security Deposits

111

2,901

(iv) Accrued interest on deposits with Schedul-  
ed Banks

31,400

2,839

(v) Accrued interest on advances to Staff

7,277

29,31,959

(vi) Accrued interest on loans and advances

41,97,376

4,658

(vii) Accrued interest on participation  
certificate

—

14,985

(viii) Divident accrued on Investment

14,985

—

(ix) Claim recoverable

2,976

98,760

(x) Advances recoverable in cash or kind

1,23,251

—

(xi) Cheques in hand

1,20,510

—

(xii) Underwriting Commission and Project  
Review Fees recoverable

—

—

(xiii) Remittance in transit

—

—

(xiv) Excess income tax paid on staff salaries  
adjustable

—

13,29,26,025

Carried over

45,35,142

17,52,19,608



Figures for the previous year	CAPITAL AND LIABILITIES	Amount	Amount
Rs		Rs	Rs
7,99,26,423	Brought forward		10,28,99,065
—	4. <u>FIXED DEPOSITS (Under Section 8) :</u>		2,55,000
	5. <u>BORROWINGS (Under Section 7) :</u>		
	From Industrial Development Bank of India under Section 7(4) holding for Industrial Development Bank in trust the securities offered by Corporation's constituents against loans advanced to them by the Corporation	6,54,10,888	
4,86,36,012	From Reserve Bank of India, New Delhi against 9% Ad hoc Bond of Rs 135.00 lakhs redeemable on 28th May, 1975	20,00,000	6,74,10,888
—			
	6. <u>GUARANTEES AND UNDERWRITING AGREEMENTS :</u>		
	Contingent Liabilities under Deferred Payment Guarantee under Section 25 per contra		24,17,202
16,69,875	7. <u>OTHER LIABILITIES :</u>		
1,74,600	(i) State Government Funds under Agency Agreement	1,74,600	
2,64,252	(ii) Sundry Deposits	12,285	
1,74,899	(iii) Borrowers' Imprest	2,75,334	
3,69,651	(iv) Staff Provident Fund	4,70,499	
20,894	(v) Unclaimed Dividend (After transfer of Rs 4,08,747 to Special Reserve Fund)	1,30,356	
5,01,087	(vi) Dividend payable proposed	6,19,752	
63,012	(vii) Interest due on Agency Loans, but not yet realised	83,620	
148	(viii) Borrower's Imprest (Agency)	148	
16,95,000	(ix) Seed Money from State Government	16,39,950	
8,32,243	(x) Interest on bonds accrued but not due	8,87,266	
	(xi) Outstanding Liabilities—		
8,64,487	(a) Corporation's Funds	13,85,620	
—	(b) Interest due on deposits but not paid	559	13,86,179
1,438	(xii) Temporary Staff Security Deposits	13,126	
6,872	(xiii) Deferred Payment Advance Guarantee Commission	7,545	
2,286	(xiv) Rebate on Deferred Payment Guarantee	3,242	
—	(xv) Interest Received (Agency)	2,500	57,06,402
49,70,869			
13,52,03,179	Carried over		17,86,88,557

[illegible]



Figures for the previous year	Capital and Liabilities	Amount	Amount
Rs		Rs	Rs
13,52,03,179	Brought forward		17,86,88,557
	8. PROVISION FOR TAXATION :		
17,61,500	Amount provided during the year	17,44,104	
4,621	Less : Debit balance of the previous year	710	
17,66,121		17,43,394	
	Add : deficit of 1972-73 & 1973-74 on account of Assessment orders	41,724	
		17,85,118	
	Less : (a) Advance tax paid under Section 210 of Income-Tax Act, 1961	17,59,569	
16,75,000	(b) Tax deducted at source	1,976	23,573
720			
90,401			
	9. INTEREST IN SUSPENSE ACCOUNT :		
8,57,088	Balance of previous year	8,57,088	
—	Less : Amount realized during the year	24,161	
		8,32,927	
—	Additions during the year	4,64,387	
8,57,088			12,97,314
	10. PROFIT AND LOSS ACCOUNT :		
19,871	Balance of previous year	5,404	
23,15,993	Add : Net profit for the year as per annexed Profit and Loss Account	32,47,660	
23,35,864		32,53,064	
	Less :		
5,00,000	(a) Amount transferred to General Reserve (Section 35)	5,25,286	
10,19,373	(b) Amount transferred to Special Reserve for purposes of Section 36(1) (viii) of Income-Tax Act, 1961	20,13,395	
3,00,000	(c) Amount transferred to Reserve for Bad and Doubtful Debts	80,000	
10,000	(d) Amount transferred to Gratuity Reserve	10,000	
5,01,087	(e) Dividend payable (Proposed)	6,19,752	32,48,433
23,30,460			4,631
5,404			
13,61,56,072			18,00,14,075

C. L. TALWAR,  
Additional Secretary.

B. J. KHURANA,  
Secretary.

T. K. BANERJI,  
Managing Director.

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PART I]

HARYANA GOVT GAZ., AUG. 19, 1975 (SRVN. 28, 1897 SAKA)

1125

Figures for  
the previous  
year

Property and assets

Amount

Amount

Rs

13,61,56,072

Brought forward

Rs

Rs

18,00,14,075

13,61,56,072

18,00,14,075

As per our report attached.

Dated : 26th May, 1975.

for Jain & Associates,  
Chartered Accountants  
P. C. JAIN,  
Partner,  
B. Com., F.C.A.,  
Chandigarh.



HARYANA FINANCIAL  
Profit and Loss Account for

Figures for the previous year	Expenditure	Amount	Amount
Rs		Rs	Rs
54,52,745	To Interest on Deposits, Bonds and Debentures and Borrowings		69,16,100
	To Salaries and Allowances		
26,767	(a) Managing Director (includes ex-gratia good performance reward of Rs 5,808/- provided in anticipation of sanction by the State Government)	37,169	
6,31,529	(b) Others (include Rs 37,962/- as management expenses on Bonds paid to State Bank of India)	10,46,947	10,84,116
6,58,296			
2,156	To Travelling and Other Allowances		
33,405	(a) Managing Director	1,976	
	(b) Others	72,035	74,011
35,561			
1,025	To Directors' and Committee Members' fees		800
7,771	To Directors' and Committee Members' Travelling and Other Allowances		7,009
24,871	To Contribution to Staff Provident Fund		33,123
53,542	To Rent, Taxes, Insurance, Light etc.		83,799
31,956	To Postage, Telegrams Stamps and Telephones		48,589
64,902	To Printing and Stationery		95,581
14,065	To Publicity and Advertisements		38,034
19,873	To Repairs and Renewals (including maintenance i. e. Rs 14,240/-)		23,819
39,214	To Bank Charges and Commission		85,736
3,426	To Audit Charges:		
	(a) Statutory	3,000	
	(b) Internal	1,000	4,000
9,375	To Law Charges		14,909
22,531	To Depreciation		31,270
59,582	To Discount on Bonds and Debentures		1,44,832
79,650	To Brokerage and Underwriting Commission on Bonds and Debentures		55,000
1,698	To Other Expenses:		
2,250	(a) Books and Newspapers	1,467	
	(b) Uniforms	3,089	
16,745	(c) Not Enumerated (including Rs 860/- paid to Managing Director as Medical Expenses)	43,274	47,830
20,693			
—	To excess Income Tax paid		41,724
—	To Amount Transferred to Interest in Suspense		4,64,387
309	To Loss on sale of or dealing with other assets		145
17,61,500	To Provision for taxation		17,44,104
23,15,993	To Balance of net profit carried to Balance Sheet		32,47,660
1,06,76,880			1,42,86,578

C. L. TALWAR,  
Additional Secretary.B. J. KHURANA,  
Secretary.T. K. BANERJI,  
Managing Director.

**CORPORATION, CHANDIGARH**  
the year ended 31st March, 1975

Figures for the previous year	Income	Amount	Amount
Rs		Rs	Rs
	By Interest :		
1,04,94,051	(i) (a) On Loans and Advances	1,40,21,118	
1,846	(b) On Advances to Staff	5,254	
—	(c) By amount of interest realised on interest in Suspense Account	24,161	1,40,50,533
1,04,95,897	(ii) On Investment and deposits (including Rs 78,475/- received on Seed Money (Agency Fund)		1,01,586
66,831	By Dividend on share underwritten		19,980
34,564	By Commission		28,620
20,748	By Profit on sale of other assets		4,280
190	By Other Income		6,045
6,062	By Miscellaneous Income		75,534
52,588			

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1,06,76,880

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1,42,86,578

As per our report attached.

for Jain & Associates  
Chartered AccountantsP. C. JAIN,  
Partner,B. Com., F.C.A.,  
Chandigarh.

Dated : 26th May, 1975.

(Sd.) . . . , Under Secy.